

BlueCrest Alaska Operating, LLC

3301 C Street, Suite 202 Anchorage, AK 99503

October 31, 2017

Ms. Michelle Pirzadeh Acting Regional Administrator U.S. Environmental Protection Agency 1200 Sixth Avenue Seattle, WA 98101



RECEIVED ON OAW (R NOV 0 7 2017

EPA Region 10
Office of the Regional Administrator

Subject:

40 CFR 60 Subpart OOOOa Initial Annual Report

BlueCrest Alaska Operating, LLC - Cosmopolitan Project

Ms. Pirzadeh.

BlueCrest Alaska Operating, LLC (BlueCrest) is submitting this initial annual report in accordance with the requirements of 40 CFR 60.5420a(b) for the Cosmopolitan Project, which is located approximately six miles north of Anchor Point, Alaska.

In accordance with 40 CFR 60.5420a(b)(1)(i) and (ii), the initial annual report is being submitted for the following affected facilities:

HEMOHID	Location	Latitude	Longitude	Affected Facility
O3 Well ID	Description		AD83)	Identification
	Cosmopolita	(b) (9)		Well Affected Facility
20-231-20051-00-	n			Collection of Fugitive
00	Developme			Emissions Components at a
	nt			Well Site
		Description Cosmopolita 20-231-20051-00- 00 Developme	OS Well ID Description (NA Cosmopolita (b) (9) 20-231-20051-00- n 00 Developme	Description (NAD83) Cosmopolita 20-231-20051-00- 00 Developme

The Hansen 16 well commenced construction on November 29, 2016 and the first date of production occurred on July 11, 2017. In accordance with 40 CFR 60.5410a, the initial compliance period begins on August 2, 2016, or upon initial startup, whichever is later. Therefore, this initial report is being submitted for activities occurring from November 29, 2016 through August 31, 2017.

The Cosmopolitan Development also includes a process unit affected facility. In accordance with 40 CFR 60.5420a(b)(11), the report for the process unit affected facility has been submitted via the Compliance and Emissions Data Reporting Interface (CEDRI) because the process unit affected facility report form has been available in CEDRI for at least 90 calendar days.

Please contact me at 907-754-9552 or lburgess@bluecrestenergy.com if you have any questions regarding this submittal.

"Based on information and belief formed by reasonable inquiry, I certify that the statements and information in the document are true, accurate, and complete."

Sincerely,

Larry Burgess

Alaska Manager

BlueCrest Alaska Operating, LLC

Attachments:

Well Affected Facility Report

Collection of Fugitive Emissions Components at a Well Site Report

cc.

Jacki Rose, BlueCrest (electronic) Chelsea Normand, SLR (electronic)

Collection of Fugitive Emissions Components at a Well Site - 40 CFR 60 Subpart OOOOa BlueCrest Cosmopolitan Project

Location:	Cosmopolitan Project	(b) (9)	Longitude (NAD83): (b) (9)
DOCUMENT.	COSTROPORTORITY	Laurence (Invoso).	roughtage (invoso).

	er di kontro kirin		LAKSAN ANG SERVICENTE	and the street of the	Tabl	e 1. Monitoring Survey	Details	ALTERNATION OF THE SECOND	Market Research Live	THE WAS DEPOSITED.	Company of the State of the Sta		
er filtle eret titl	путады містемация гр	Su Su	rvey is a second of the co	Bullet been been properties.	No a Bass Modern	Technician *	SAMESALVANDE COM-	Monitoring Instrume	ent progressioners and	Deviations from	686.644.6354.867677.06126060.c		
Date	Begin Time	End Time	Ambient Temp	Sky Conditions	Maximum Wind Speed (mph)	Name	Туре	Make/Model	Serial Number	Monitoring Plan	Comments		
8/24/2017	8:30:00 AM	9:45:00 AM	50	Rain	5	(b) (6)			Parameter and a second and a second and		Gas Metering		
8/24/2017	12:45:00 PM	2:15:00 PM	51	Rain	10			13			Crude Oil and Off Spec Tanks		
	8:20:00 AM	8:35:00 AM						İ		19		Turbines	
8/25/2017	8:35:00 AM	8:55:00 AM	50 Rain	Rain 5					1/2	Water Tanks			
	8:55:00 AM	9:25:00 AM		50		1				3	Produced Water		
	12:20:00 PM	12:40:00 PM				1							Flare
0/25/2017	12:45:00 PM	12:55:00 PM	50		2					1 3	Closed Drain		
8/26/2017	1:00:00 PM	1:35:00 PM	50 Overcast	3		1	14	4		Tank VRU and Tank VRU (spare)			
	2:35:00 PM	2:55:00 PM											
8/27/2017	9:15:00 AM	9:50:00 AM	53	Partly Cloudy/	rtly Cloudy/	oudy/ o			1 8			Well H16	
8/2//2017	10:20:00 AM	10:25:00 AM	23	Rainy	0		Method 21	RKI Eagle 2	E 2F965	None	Well H1A		
9:25:00 AM	10:00:00 AM	53	52 Mostly Cloudy	Mostly Cloudy 4	Mostly Cloudy	1	ostly Cloudy		MEGIOGZA	tini Lagic 2	227505	Horse	Refrigeration
	10:05:00 AM	10:30:00 AM											Fuel Gas
8/28/2017	11:40:00 AM	12:00:00 PM				Mostly Cloudy			1			1	Oil Heat Exchangers
37 33	12:00:00 PM	12:35:00 PM	58				4						Heater Treater
	12:35:00 PM	1:05:00 PM	4.7	1.0				1			Production Header & HP Separato		
	7:20:00 AM	8:00:00 AM						1			LP Compressor		
# (%) (%) (%)	8:00:00 AM	8;30;00 AM	50	Rain	8						Dehy		
8/29/2017	8:30:00 AM	9:05:00 AM									Oil Sales		
	10:25:00 AM	11:05:00 AM	52	Rain	25						Onshore Compressor		
0/10/1017	8:25:00 AM	9:05:00 AM	52	Overcast	3						Onshore Compressor (spare)		
8/30/2017	9:05:00 AM	9:25:00 AM	>2	Overcast	,						LP Compressor (spare)		

400年1月2日日本日本	reconstruction of a large that has been	Contained by the property	Table 2.	Monitoring Survey	Results	the Maria Carlos and C	
Survey	CANAL CHARLEST AND THE TANK AND THE	Fugitive Emissions	Successful Repair	and the state of the	On Delay of Repair	Not Repaired as	Difficult/ Unsafe Component
Date	Component	Detected	Date(s)	Count	Explanation	Required	Monitored
8/24/2017				No Leuks E	Detected		
8/25/2017	Flange	3	9/18/2017 9/18/2017 9/23/2017			-	
	Connector	1	9/18/2017	- 1	1 ·		
8/25/2017	Other	1	9/18/2017	T .		,	
	Valve	1	9/18/2017			-	(4)
8/27/2017				No Leaks D	Petected		
	Flange	1	9/23/2017				
8/28/2017	Valve	3		3	Repair is Technically Infeasible Repair is Technically Infeasible Repair is Technically Infeasible		~
8/29/2017	Flange	2	9/23/2017 10/10/2017	1	Would require a well shut-in or shutdown		142
-	Valve	1	9/26/2017		1 •	-	-
8/30/2017			200 700 7000 7000 7000 7000	No Leaks D	etected		

Notes:

Data is provided for surveys fugitive emissions monitoring surveys conducted through August 31 2017.
 Resurveys are performed using Method 21 using an RKI Eagle 2 (S/N: E2F965).

40 CFR 60 Subpart OOOOa Well Affected Facility Report

Well Completions with Hydraulic Fracturing or Refracturing

Well Name:	Hansen 1	ь	
Well Location:	(b) (9)		
US Well Number:	50-231-20051	00-00	
Wildcat/Delineation Well [Yes	/No):	No	
		Flowback 1	Flowback 2
Date and Time Flowback First	Began;	5/19/17 10:00	6/5/17 14:5
Date and Time Flowback Ende	d (Separator Disconnected):	5/22/17 14:00	6/15/17 23:0

	Table 1- Flowback to Separator			Table 2- Howback Gas Vented to Atmosphere			
Begin Date/Time	End Date/Time	Gas Recovery Method ³ (choose from dropdown)	Begin Date/Time	End Date/Time	Use of Separator Technically Feasible?		
			5/19/17 10:00	5/19/17 11:30	No		
			5/19/17 11:30	5/19/17 12:45	Yes		
		220 0 00 00 00 00 00 00 00 00 00 00 00 0	5/19/17 12:45	5/19/17 23:59	No		
**************************************			5/20/17 0:00	5/20/17 11:00	No		
			5/20/17 11:15	5/20/17 19:45	No		
			5/20/17 20:00	5/20/17 22:15	No		
			5/20/17 22:30	5/20/17 23:59	No		
			5/21/17 0:00	5/21/17 12:33	No		
			5/21/17 13:00	5/21/17 23:59	No		
			5/22/17 0:00	5/22/17 14:00	No		
			6/5/17 14:55	6/5/17 18:30	No		
			6/5/17 18:30	6/5/17 23:59	Yes		
			6/6/17 0:00	6/6/17 23:59	Yes		
		4.0	6/7/17 0:00	6/7/17 23:59	Yes		
(1916) III.5/740/498030000 F 100			6/8/17 0:00	6/8/17 16:00	Yes		
			6/8/17 16:00	6/8/17 18:30	No		
			6/8/17 18:30	6/8/17 23:59	Yes		
			6/9/17 0:00	6/9/17 23:59	Yes		
			6/10/17 0:00	6/10/17 23:59	Yes		
			6/11/17 0:00	6/11/17 23:59	Yes		
-2000			6/12/17 0:00	6/12/17 23:59	Yes		
			6/13/17 0:00	6/13/17 11:41	Yes		
artistica (with the desirability)	year-year-year-year-year-year-		6/14/17 2:00	6/14/17 2:35	185		
			6/14/17 12:30	6/14/17 13:30	Yes		
			6/14/17 13:30	6/14/17 13:32	No		
			6/14/17 13:32	6/14/17 23:59	Yes		
			6/15/17 0:00	6/15/17 23:00	Yes		

[&]quot;WildcaV delineation and low pressure wells are not required to report start and end times for recovery to flowlines.

Wildcot well means a well outside know fields or the first well drilling in an oil or gas field where no other oil and gas production exists.

Delineation well means a well drated in order to determine the boundary of a field or producing reservoir.

tow pressure well means a well that satisfies at least one of the following conditions:

- 1) The static pressure at the welfhead following fracturing but prior to the onset of flowback is less than the flow line pressure at the sales meter;
- 2) The pressure of flowback flued immediately before it enters the flow line, as determined under 40 CFR 60.5432a, is less than the flow line pressure at the sales meter; or
- 3) Flowback of the fracture fluids will not occur without the use of artificial lift equipment (a mechanical pump).

Fill out all five of the tables below if it is infeasible to route recovered gas to a flowline, reinject gas into a well, reuse as an onsite fuel source, or reuse for other useful purpose that a purchased fuel or raw material would serve.

Line Gathering Line Reason(s) for infeasibility	
The nearest gathering fine is located on the same pad as the Hansen 16 well. Due to the nitrogen content of the florouting gas to the facility would have respect product and potential process	ulted in off

Table 4- Technically infeasible to Reinject Gas into a Well							
Reinjection Considered	Reason(s) for Infeasibility						
Yes	BlueCrest does not operate any injection wells.						

Table 5- Technically infeasible to Reuse Gas as Onsite Fuel Source					
Reason(s) for infeasibility					
Flowback occurred concurrently with nitrogen injection activities. Due to the high nitrogen content, the flowback gas was not flammable, and therefore, not a reliable fuel source.					

Reuse Technologies Considered	Reason(s) for inleasibility
N/A	BlueCrest was not able to identify a useful purpose that a purchased fuel or raw material would serve because the flowback gas was not flammable.

If it is technically infeasible to recover gas in any of the methods listed in the dropdown menu, use a combustion device (flare) and complete Tables 3 through 7.

If flowback gas is vented to atmosphere and the use of a separator is technically feasible, complete Tables 3 through 7.

If it is technically infeasible to recover gas in any of the methods listed above, gas must be flared unless flaring can result in a fire hazard or explosion, or where high heat emissions can negatively impact tundra, permafrost, or waterways. Fill out the flaring table below. If it is technically infeasible to flare, enter the times and dates of operating under the exemption, and list the exemption. Note: Flare must be equipped with a continuous pilot flame at all times.

			Table 7- Gas to Combustion Device (Flare)
Begin Date/Time	End Date/Time	Claiming Exemption from Combustion (Flaring)? (Yes/No)	Exemption Claimed (Choose from dropdown)	Reason(s) that the Well Meets Claimed Exemption
		Yes		See comment below.

Duration of Flowback:	324,1 Hours
Duration of Recovery:	0.0 Hours
Duration of Combustion (Flaring):	0.0 Hours
Duration of Venting:	298.6 Hours

Comments:

Two flowbacks were conducted because the well was plugged. Due to the high nitrogen content of flowback gas and concurrent use of nitrogen during the flowback process, the use of a combustion device (flare) was not feasible. Nitrogen is an inert gas which does not burn. The nitrogen gas would put out the continuous pilot flame and create an oxygen deficient atmosphere at ground level. An oxygen deficient atmosphere at ground level has the potential to result in a health and safety hazard, including sudden death, for BlueCrest employees and contractors. BlueCrest evaluated all options to avoid venting and did not identify any technically feasible alternatives. BlueCrest chose to vent the gas from the separator so that the inert gas would disperse from a higher elevation, and therefore mitigate the safety hazard to employees and contractors consisting of an oxygen deficient atmosphere at ground level. In accordance with the Subpart OOOOa response to comments, EPA-HQ-OAR-2010-0505-6789, excerpt 11. "technical" infeasibility.... can include safety and engineering concerns". If safety is a reasonable consideration for reduced emission completions, safety should also be a reasonable consideration for combustion.



BlueCrest Alaska Operating, LLC

3301 C Street, Suite 202 Anchorage, AK 99503

RECEIVED ON:

October 3, 2017

Ms. Michelle Pirzadeh Acting Regional Administrator US EPA Region 10 1200 6th Avenue, Suite 900 Seattle, WA 98101 ACC / CAW EPA Region 10 Office of the Regional Administrator

Subject:

40 CFR 60 Subpart OOOOa Startup Notification

BlueCrest Alaska Operating, LLC - Cosmopolitan Project

Ms. Pirzadeh,

BlueCrest Alaska Operating, LLC (BlueCrest) is submitting this startup notification per the requirements of 40 CFR 60.5420a(a)(1) and 40 CFR 60.7(a)(3) for the Cosmopolitan Project, which is located approximately six miles north of Anchor Point, Alaska. A mechanical refrigeration unit and a stabilizer which produces natural gas liquids (NGL) at the Cosmopolitan Project were started up on May 11, 2017 and were stopped on June 18, 2017, and it is not yet known if they will be started up again.

These units may trigger requirements for a natural gas processing plant under 40 CFR 60 Subpart OOOOa, which is still being investigated.

Please contact me at 907-754-9552 or lburgess@bluecrestenergy.com if you have any questions regarding this submittal.

Sincerely,

Larry Burgess

Alaska Manager

BlueCrest Alaska Operating, LLC

cc:

Jacki Rose, BlueCrest Jamie Brewer, SLR Chelsea Normand, SLR OFFICE ON DATE RECEIVED WASTE



BlueCrest Alaska Operating, LLC

3301 C Street, Suite 202 Anchorage, AK 99503

RECEIVED ON:

March 13, 2017

Ms. Michelle Pirzadeh Acting Regional Administrator US EPA Region 10 1200 6th Avenue, Suite 900 Seattle, WA 98101 EPA Region 10
Office of the Regional Administrator

Subject:

40 CFR 60 Subpart OOOOa Notification of Well Completion Operation

BlueCrest Alaska Operating, LLC - Cosmopolitan Project

Dear Ms. Pirzadeh,

BlueCrest Alaska Operating, LLC is submitting a well completion operation notification for a well affected facility under 40 CFR 60 Subpart OOOOa. In accordance with 40 CFR 60.5420a(a)(2)(i), this notification is provided at least two days prior to the anticipated commencement date of the well completion operation (hydraulic fracturing). The following table includes the required notification information under 40 CFR 60.5420a(a)(2)(i):

Owner or Operator Contact Information:	Larry Burgess, HSE Manager
	BlueCrest Alaska Operating, LLC
	3301 C Street, Suite 202
	Anchorage, AK 99503
	907-754-9952
	lburgess@bluecrestenergy.com
Well Name:	Hansen 16
United States Well Number:	50-231-20051-00-00
Latitude (NAD 83 to Five Decimals):	(b) (9)
Longitude (NAD 83 to Five Decimals):	(b) (9)
Anticipated Date of Hydraulic Fracture:	April 1, 2017
Anticipated Date of Beginning of Flowback:	April 24, 2017

Please note that anticipated dates for hydraulic fracturing and the beginning of flowback are provided are based on the current well completion schedule, and could vary due to operational factors including, but not limited to, weather, equipment, and work-related delays.

Please contact me at 907-754-9952 or <u>lburgess@bluecrestenergy.com</u> if you have any questions regarding this submittal.

APP OFFICE OF AND WASTE AN

Sincerely,

Larry Burgess

HSE Manager

BlueCrest Alaska Operating, LLC

cc:

Compliance Technician, ADEC - Fairbanks

Jacki Rose, BlueCrest Ann Mason, SLR Jamie Brewer, SLR